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Big Business and Government. By CHARLES NORMAN FAY. New York: Moffatt, Yard & Co., 1912. 8vo, pp. vi+201. \$1.00.

In view of persistent attacks on "big business," it is not at all surprising that now and then some "insider" should make a sally in defense of large corporations. Moreover, it is always instructive to hear the other side of the argument, and, without much doubt, Mr. Fay in his compact little volume presents that side of the case as ably as anyone.

The author rests his defense of "big business" upon the explicit postulates of the *laissez-faire* school of economics which still commands a respectable following in this and other countries. But he is not very familiar with the turns and twists of argument characteristic of that school, and, as a consequence, he is unable to avoid many serious contradictions and flagrant fallacies of logic.

In the opinion of the author competition may be relied upon as an adequate safeguard against monopolies. In fact, no monopoly can long endure, because many shrewd and enterprising men seeing the enormous profits resulting therefrom will enter the field in which monopoly seems to have control. In that case the trust must either suffer competition or buy up the intruder at a "nuisance value." Experience shows that the latter course will be followed. But, according to the author, this automatic scheme is frustrated by such laws as the Sherman Anti-Trust act. By forbidding combination, the Sherman law destroys all hope of the prospective competitor of selling out to the trust at a "nuisance value" and thereby hinders him from venturing forth (pp. 8-9). This objection to the Sherman law does not seem to be well founded since, on the author's own showing, *competition* in any case ends in combination. In fact, farther on, the author himself seems to suspect the efficacy of competition to adjust matters, when he inadvertently admits that in the case of the National Cash Register Company, with its perfect organization and machinery for fighting its adversaries, competition is futile (p. 100). This and kindred monopolies, however, are exceptions and, in general, they "may safely and wisely be left to the tender mercies of time and economic law" (p. 160). But this attitude is scarcely reconcilable with the author's "Constructive Suggestions" (pp. 168 ff.) which embody the advocacy of various legislative enactments tending to restrict capitalization of values, rate of profits, issue of stocks and bonds, etc. One is tempted to join the author in asking, "Why not leave to the laws of trade and to time . . . such creations

of human greed and ambition . . . ? 'A little while and ye shall not see them'" (p. 123).

As to "special privilege," the author regards that as a humbug. We have promoted manufacturing by our tariff policy; through our elaborate system of patent and copyright laws we have encouraged inventive genius; through stupendous bounties of public lands we induced railway building—all these rights and privileges have been open to everyone without discrimination (pp. 81 ff.). In a somewhat similar vein, the author deals with the system of bribery and corruption in politics: "True enough, it [big business] has the *ability* to offer a bribe, and sometimes the *will*. But the *power* to accept or reject lies with the alderman or the judge. What can big business do to *compel* him to corruption?" (pp. 148-49).

Viewed from still another angle, big business is forsooth a much-abused and needlessly maligned personage. In their ignorance, to use a homely figure, the people are trying to kill the goose that lays the golden egg: "Even as things are, apart from what their purely selfish activities accomplish for the race, consider their unselfish ones. There is hardly a work of public spirit, philanthropy, education, or charity going on anywhere in our land that is not mainly supported by the time and money of the very rich freely given. Conscience seems to grow with wealth" (p. 182). We venture the suggestion that such displays of wealth as are described by the author emanate, not from the growth of conscience, but from the desire to win the esteem of one's fellow-men and to be held by them in good repute. "Charity is fed by pride as well as by benevolence."

Leaving aside now the particular points taken up in the book, the author seems to have failed to read the signs of the times aright. He fails to comprehend the position of those who are attacking big business. In the course of political and industrial resolutions throughout history, many exclusive rights and privileges have been abolished. The one privilege which stands alone and unattended is that of *property*. This privilege is all the more conspicuous in a society which through education and progress is becoming leveled. Consequently the privilege of property tends to become more and more isolated and is forced to defend itself against the constant onslaught of democratic ideas. The attack is not the result of a passing caprice of the human mind but it is a function of social evolution, and if nothing intervenes to arrest this process the special privileges of property cannot long persist. "A little while and ye shall not see them."

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